

Nautilus Institute Policy Forum Online: Discussion of "Change in North Korea"

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Recommended Citation

"Nautilus Institute Policy Forum Online: Discussion of "Change in North Korea"", NAPSNet Policy Forum, November 02, 1999, https://nautilus.org/napsnet/napsnet-policy-forum/nautilus-instit-te-policy-forum-online-discussion-of-change-in-north-korea/

PFO 99-07H: November 2, 1999

Discussion of "Change in North Korea"

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October 19, 1999

I. Introduction

The following are comments on the essay "Change in North Korea" by John Feffer and Karin Lee of the American Friends Service Committee, which appeared as Policy Forum Online 99-07F on October 19, 1999.

This report includes comments by Cheong Wooksik, a representative of <u>Civil Network for a Peaceful Korea (CNPK)</u>. CNPK is a start-up NGO for peace and disarmament on the Korean Peninsula. Cheong's comments are followed by those of Suk Lee, a research student studying the North Korean economy at the University of Warwick in the United Kingdom, and a response by Feffer and Lee.

II. Comments on Essay by John Feffer & Karin Lee

1. Comments by Cheong Wooksik

"Another Reason Why North Korea Does Not Change" Written by Cheong Wooksik in Korean and translated by You Sanghee, volunteer of CNPK

There is a Korean saying that "10 years is enough to change a landscape itself." It means that everything eventually changes over time. North Korea is not an exception. John and Karin's essay is an excellent piece of work that provides evidence of changes taking place in North Korea, based on the recognition that understanding North Korea is essential to improving US-North Korea relations. This approach may indeed contribute to the change of attitude of those who have a fixed negative image of North Korea.

However, their essay lacks fundamental evaluation of the "changes" in NK. NK had to accept changes in order to survive amidst an ever-worsening economic hardship for the past 30 years, breakdown of its Communist allies, and the South Korea-US-Japan consistent containment policy toward NK. Therefore the importance lies in the "nature and consequences of the changes" rather than the "change" itself.

As John and Karin pointed out, changes in NK can be boiled down to nonfundamental and within-system. Although these changes contributed to prevention of the regime's collapse, they failed to alleviate the severe starvation of its people and the ensuing massive defections. John and Karin were right to argue that changes in NK are taking place according to its own yardstick and the demands of sovereignty. The most grave concern here is that NK people have not been benefiting from the changes. Instead their rights to life have been seriously threatened.

Recognition of this glaring fact is not meant to agree with the hardliners' fixed prejudice of blaming only the "viciousness of the NK regime." Rather, I would like to point out some of the international factors, especially the US factor, which contribute to the superficial nature of changes in NK. The US should realize that expecting its enemy to change without making any changes itself serves as a major reason for the lack of change in its counterpart. Especially for NK, which faces a serious crisis from international isolation as well as depletion of domestic resources, it naturally demands a

change of attitude on the part of the international community as a condition for its own changes. Based on such concerns, I would like to discuss a few external factors that make it "difficult" for NK to change.

The realist view of international relations takes "national security" as the most basic and important issue. This is because national security, though an essential value itself, also carries conditions for realization of other values as well. In this regard, almost all sovereign nations have taken national security as the foremost agenda. I know this is a controversial point, but when a nation is in crisis, it naturally sets defending its national security as its top objective. NK, a so-called "rogue country", is not an exception. Of course, the fact that NK's national security is important is a separate matter from it being valuable. I think the biggest problem here is that the international community, especially the liberal countries, is not willing to recognize the basic fact that "national security can be an important issue for the NK regime, too." During the Cold War era, NK was often regarded as a nation to contain. Then in the post-Cold War era, NK has been expected to collapse sooner or later. The US's political and military containment policy toward NK, including an anti-NK nuclear preemptive option as well as economic sanctions against NK ever since the end of Korean War in the 1950s, well prove this. In this circumstances we simply cannot expect NK to bring reform and open itself, and to embrace market economy and democracy in particular.

South Korea, US and Japan's hostile attitudes toward NK have not much changed even after the 1994 Agreed Framework. It is only a recent development that SK's NK policy has changed. Former president Kim Young-sam actually expected unification through absorbing the collapsed NK. Hostility and animosity between the two Koreas deepened even more seriously than with SK military dictators. Then what about President Kim Dae-jung's engagement policy toward NK? Unfortunately, even though it has made relative progress compared to the former policy, it is still based on the strong military power which has been the physical basis for inter Korean confrontation. What about the US's NK policy? It is the US that failed to deliver on the Agreed Framework, not NK. In fact, NK naturally has distrust and a sense of vulnerability toward the US's default. What about Japan? It has also been very passive about establishing diplomatic ties with NK.

It is not sure that SK, US and Japan's change of attitude and withdrawal of hostile policies will lead to fundamental changes in NK. However, one clear point is that the outside world has not changed enough itself to demand changes from NK. To make things worse, the US and Japan are moving to quite the opposite direction from where they should be heading. The US confirmed a reduced form of revival of Star Wars plan, continues to increase its military budget, and recently rejected a Comprehensive Test Ban Treaty ratification bill against severe criticism from the international community. Japan, for its part, is expanding its ambition of becoming a military power with the excuse of NK threat. All these are making it difficult for NK to change.

Earlier I mentioned that the shortcoming of the changes in NK is that life standard of NK people has not been improved. This is what the US and its allies often point out as well. However, despite similarities of my argument and theirs, my concern has a fundamental difference, which is that the NK regime cannot be held accountable for the whole tragedy of its people. In other words, I want to point out that the US and its allies--which have been describing NK as an evil country, blaming NK for not changing, and maintaining a hostile attitude toward NK--have a considerable amount of responsibility for the "human cost" of NK. If they are truly committed to seeing NK change and its people enjoy a better life, they should do away with the existing prejudice against "NK", and make genuine changes themselves.

2. Comments by Suk Lee

The following comments are by Suk Lee, a research student studying the North Korean economy at the University of Warwick in the United Kingdom.

I am very interested in what Feffer and Lee describe as the change of North Korean economy. They make the following points. First, an important change in the economic sphere since 1984 is the growing non-planned sector such as increasing private food production and widespread farmers' markets. Second, this change has been deliberately made by the government (it predates the food crisis). Third, it is not temporary.

Perhaps there could be no objections to their first point. But, what about their second and third points? I would argue that 1) this change was caused by unexpected circumstances (it came from the food crisis), 2) it may be temporary for economic reasons.

First, I think that Feffer and Lee do not consider the efforts made by the North Korean government to regulate the non-planned sector. For instance, it limited the number of farmers' markets per county/city in 1987. All the non-approved markets, which had been usually allowed, were closed and daily markets were transformed into 10-day-markets in 1992. In particular, it is reported that early this year Kim Jong Il ordered the government "to tightly regulate farmers' markets and get people back to their work-places." Of course, most regulation policies were temporary, followed by other deregulation policies, as the food situation became worse in the 1990s. Nevertheless, these regulation policies raise doubts about the argument that the change in the economic sphere has been deliberately made by the government.

Second, North Korea experienced a food shortage not only in the 1990s but also in the 1980s. In my opinion, this ongoing food shortage was the main immediate factor that resulted in the change of the North Korean economy. In the mid 1980s, for instance, North Korean agriculture went into stagnation. In particular, the grain harvests of 1986-87 and 1987-88 were poor, and the shortage of grain made the government take the following actions. Above all, the government increased food imports significantly. FAO [Food and Agriculture Organization] statistics show that food imports increased to 0.696 MMT in 1987 and 1.08 MMT in 1988 from 0.352 MMT in 1986. And the government reduced daily grain rations by 10 percent in 1987 to 532 grams per person. Finally, as grain rations decreased, the government emphasized "people's self-reliance on food," which induced changes in the economic sphere such as allowance for factory workers to farm on small plots and deregulation--sometimes followed by regulation--of farmers' markets in the 1980s. The point is that such government actions--increasing food imports (or aid), reducing rations, emphasizing selfreliance--have been continuously repeated whenever a food shortage happens in North Korea. The results are the increased private food production and widespread farmers' markets in the 1990s. In this sense, I do not think that the change in the economic sphere has been deliberately made by the government. I do not think that it predates the food crisis, either. On the contrary, I think that this change came from and grew with the ongoing food shortage that started before the 1990s.

Lastly, consider whether the change of the North Korean economy would be long-term. It may be quite difficult to predict the future of the non-planned sector in North Korea. During the food crisis, most North Koreans have depended on this sector for their survival, which has changed them a lot. Hence, even when there appear new environments against it, it is doubtful whether such environments could actually change it. As far as economic policies are concerned, however, I think that the North Korean government is likely to attack this sector, and the attack would be motivated

by the economic purpose to end the food crisis.

According to the government's official statistics, North Korean cooperative (and state) farms produced 2.14 MMT of grain in 1997, which was around 101 kg per person. Per capita production was roughly 1/4 of the 1993 level and just 60 percent of minimum food requirements (167 kg) in North Korea. Although farmers were distributed more grains (130-160 kg per farmer: FAO/WFP's estimate) than other social groups, they were also below minimum food requirements. In this situation, it seems guite natural for farmers to make more efforts in their private plots and farmers' market than in cooperative farms. This helps them survive and so participate in the production for the next harvest of cooperative farms. Hence, it might also help the government manage the economy under the absolute shortage of food. Then, what should and would the government do to end this situation? Since private plots in North Korea--including legal and illegal plots for farmers, factory workers, and the army--cover just marginal lands and resources, there is no other choice but increasing the production of cooperative farms. For this, the government will need to put more fertilizers, better seeds, more tractors, and especially more efforts of farmers into cooperative farms. The problem is that, as long as farmers have opportunities to make more income from their private plots and farmers' markets, they would not make more efforts in cooperative farms. This problem would appear as a bottleneck, especially when the government can increase other input factors. There are two solutions. First, the government could guarantee more income in cooperative farms. For instance, in 1996-97 the government allowed farmers to dispose of grains that exceeded the production target. Second, it could reduce farmers' opportunities to participate in their private plots and farmers' markets. In this case, farmers might be deprived of their illegal private plots, private grain trade could be strictly controlled, and more tax and other regulations could be imposed on farmers' markets.

It seems that the food situation in North Korea faces a turning point in 1999-2000. Domestic food production is expected to increase significantly with the help of newly introduced agricultural technology, increasing international development aid, and favourable weather condition, etc. The government has also revealed its will to end the food crisis not by international food aid, but by increasing domestic production. Given these factors, if the North Korean government expects that food production would hit a bottleneck because of the present non-planned sector, then we might see that many important changes already made in the economic sphere for the last fifteen years are reversed by the government in the near future.

3. Response by John Feffer and Karin Lee

It is always gratifying when an essay generates responses, particularly when the responses converge largely with the essay's main points.

We particularly appreciate that Cheong Wooksik's response underscores several of our most important points, notably that there are significant external impediments to change in North Korea. As mentioned in our essay, the U.S. in particular has refused to alter the security environment in Northeast Asia and continues to maintain a strong military containment policy toward North Korea. This hard-line approach succeeds only in reinforcing a reciprocal hard-line military approach from the North Korean leadership. As for Cheong Wooksik's contention that the changes in North Korea haven't altered the lives of the average person, this is of course difficult to verify without more information.

Suk Lee's response raises some interesting questions. First we would agree that the economic problems North Korea faces did not begin in the 1990s. We would distinguish between the acute food crisis of the 1990s and the economic downturn in North Korea (accompanied by a decline in agricultural production) that began in the 1970s.

The thornier question is whether recent government policy on the economy is temporary or a fundamental rethinking. It is impossible to predict with certainty how a policy will play out over time, particularly given the importance of external factors such as South Korean, U.S. or Japanese support for such a policy. Nevertheless, we believe that the North Korean government is shaping a distinctive response to external circumstances that takes into account key domestic requirements (notably sovereignty). These changes are rooted in policies undertaken in the 1980s and readjusted in the 1990s because of a severe food crisis and a realignment of external forces. To recognize these changes as important -- and interconnected -- is a prerequisite for supporting an engagement policy that encourages these changes.

As for Suk Lee's discussion of the future of North Korean agriculture, we believe that the fundamental issue is not the form of agricultural production (private versus cooperative) but the constraints on production imposed by the limited amount of arable land. Certainly North Korea must boost its agricultural production. But it must also develop a range of exportable products, whether agricultural or industrial, to ensure imports sufficient to feed the population.

III. Nautilus Invites Your Responses

The Northeast Asia Peace and Security Network invites your responses to this essay. Please send responses to: napsnet-reply@nautilus.org. Responses will be considered for redistribution to the network only if they include the author's name, affiliation, and explicit consent.

Produced by The Nautilus Institute for Security and Sustainable Development Northeast Asia Peace and Security Project (napsnet-reply@nautilus.org)

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